

**Assembly Bill No. 759**

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Passed the Assembly August 31, 2006

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*Chief Clerk of the Assembly*

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Passed the Senate August 30, 2006

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*Secretary of the Senate*

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This bill was received by the Governor this \_\_\_\_\_ day  
of \_\_\_\_\_, 2006, at \_\_\_\_\_ o'clock \_\_\_\_M.

\_\_\_\_\_  
*Private Secretary of the Governor*

## CHAPTER \_\_\_\_\_

An act relating to the health care districts.

## LEGISLATIVE COUNSEL'S DIGEST

AB 759, Lieber. El Camino Hospital District.

Existing law, the Local Health Care District Law, provides for the formation of local health care districts, and authorizes a district to transfer, at fair market value, any part of its assets to one or more corporations to operate and maintain the assets, subject to certain requirements, including the approval of a majority of the voters of the district in certain circumstances. Existing law also authorizes the transfer of a district's assets, for the benefit of the communities served by the district, in the absence of adequate consideration, subject to certain requirements.

Existing law imposes similar requirements on the transfer of assets by El Camino Hospital-Corporation, a nonprofit public benefit corporation that owns and operates El Camino Hospital pursuant to a transfer of assets from the El Camino Hospital District under the above-described provisions.

This bill would make various findings and declarations regarding the El Camino Hospital District and El Camino Hospital-Corporation, including a finding and declaration that the El Camino Hospital and any other entities operated by the corporation are deemed to be public entities for purposes of laws requiring financial disclosure and establishing employee rights.

This bill would also make a legislative finding and declaration regarding the need for special legislation.

*The people of the State of California do enact as follows:*

SECTION 1. (a) The Legislature hereby finds and declares all of the following:

(1) There is a unique relationship between the El Camino Hospital, a California nonprofit public benefit corporation ("El Camino Hospital-Corporation") and the El Camino Hospital District, because the district's publicly elected board members

exert direct control over the El Camino Hospital-Corporation through the appointment and removal of the only members of the corporation's board.

(2) Because the El Camino Hospital District is a public entity that has direct and sole control of the El Camino Hospital-Corporation's board, the district is, pursuant to established legal principles, thereby deemed to be in direct control of the operations of the El Camino Hospital and any other entities operated by the corporation.

(3) Therefore, the El Camino Hospital and any other entities operated by the corporation are deemed to be public entities for purposes of laws requiring financial disclosure and establishing employee rights.

(b) This section shall remain in effect as long as the El Camino Hospital-Corporation or any of its successors in interest, subsidiary, partnership, limited liability company, or corporation is the recipient of any assets from the El Camino Hospital District that are subject to the requirements of Section 32121.7 of the Health and Safety Code.

SEC. 2. Due to the unique circumstances of the relationship between the El Camino Hospital District and the El Camino Hospital-Corporation, the Legislature hereby finds and declares that a general statute cannot be made applicable within the meaning of Section 16 of Article IV of the California Constitution. Therefore Section 1 of this act is applicable only to the El Camino Hospital District.

Approved \_\_\_\_\_, 2006

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*Governor*